

Message Text

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20

ACTION EA-14

INFO OCT-01 ISO-00 NEA-10 EUR-25 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 DPW-01 IO-14 DRC-01 OMB-01 /141 W

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P 050335Z MAR 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 2290

C O N F I D E N T I A L SAIGON 02848

E.O. 11652: GDS

TAGS: MARR, VS

SUBJECT: ICCS: PA&E DEBT POSITION

REF : SAIGON 2104

1. PA&E SAIGON REPRESENTATIVES CAME TO EMBASSY MARCH 4 TO DISCUSS ICCS DEBTS AND PROSPECTS FOR PAYMENT.

2. PA&E GAVE ICCS FEBRUARY 8 BILL FOR \$220,000 WHICH NOW DELINQUENT ALMOST A MONTH. ON FEBRUARY 24, PA&E DELIVERED BILL FOR SALARIES AND PURCHASES FOR APPROXIMATELY \$250,000 NOW DELINQUENT OVER A WEEK. ADDITIONAL BILLINGS AS OF MARCH 9 WILL AMOUNT TO APPROXIMATELY \$225,000 FOR PAYROLL AND SERVICES. THUS BY END OF THIS WEEK ICCS WILL OWE PA&E APPROXIMATELY \$695,000.

3. LOCAL MANAGERS WILL CONSULT WITH HEAD OFFICE BY TELEPHONE THIS EVENING IN ORDER TO BE ABLE TO INFORM ICCS TOMORROW MARCH 5 OF PLANNED CUTS IN SERVICES WHICH MUST BE IMMEDIATELY IMPLEMENTED IN ORDER TO REDUCE DEBT OVERHEAD. IN CONVERSATION WITH ACTING DIRECTOR GENERAL, COL. ZARIN-KHAME (IRDEL) AND FISCAL DIRECTOR BERNACIAK (POLDEL) MARCH 4, PA&E OFFICIALS OBTAINED NO ASSURANCES OF ICCS ABILITY TO PAY ANY OF THE OUTSTANDING BILLS. ICCS HAD, ACCORDING TO PA&E ESTIMATES, APPROXIMATELY \$500,000 IN BANK ACCOUNT AT THE END OF FEBRUARY. PA&E REPRESENTATIVES HAD ASKED ICCS TO MAKE AT LEAST TOKEN PAYMENT IN ORDER TO AVOID

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CURTAILING OF SERVICES.

4. DEPARTMENT MAY WISH TO CONSULT WITH EITHER MR. EDWARD SHAY
OR MR. MEL HERZ IN LOS ANGELES, PA&E OFFICE, TELEPHONE

NUMBER A. C. 213-381-5731. WASHINGTON REPRESENTATIVES (MR.
WILLIAM NEW OR MR. MICHAEL GULINO) ARE AVAILABLE AT A.C. 202-
223-3134. CONTACT WITH PA&E OFFICES IN THE STATES MAY RELIEVE
PRESSURES ON SAIGON OFFICE OF PA&E TO CUT LOSSES BY CURTAILING
SERVICES, WHICH IN TURN WILL LEAD DIRECTLY TO WITHDRAWAL FROM
TEAM SITES SUPPORTED BY PA&E.
MARTIN

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Message Attributes

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